

Committee on Banking and Insurance

CS/CS/HB 1127 — Insurance Fraud

by Appropriations Committee; Insurance and Banking Subcommittee; and Rep. Sullivan (CS/CS/SB 1306 by Appropriations Committee; Banking and Insurance Committee; and Senator Bradley)

The bill provides that knowingly making an unlawful claim for reimbursement made on behalf of an unlicensed clinic or a clinic operating in violation of the Health Care Clinic Act is considered theft, regardless of whether payment is made. The bill also specifies that an knowingly owning, operating, managing or maintaining an unlicensed clinic; or offering or advertising services without licensure under the Health Care Clinic Act or the Health Care Licensing Procedures Act is a third degree felony, regardless of whether the Agency for Health Care Administration (agency) has provided notice to the entity that it is illegally engaging in unlicensed activity. If the agency provides a notice of unlicensed activity or a person is arrested for such actions, each day during which the above violations occurs is a separate offense. A person convicted of a second or subsequent violation commits a second degree felony. The bill also specifies that a person commits a third degree felony if the person fails to report required information to the agency.

In 2012, the Department of Financial Services established a direct-support organization to support the prosecution, investigation, and prevention of motor vehicle insurance fraud. The direct support organization has engaged in limited organizational activity during its existence. The bill repeals the statute authorizing the direct support organization.

If approved by the Governor, these provisions take effect October 1, 2015.

Vote: Senate 39-0; House 117-0